Jack Russo (Cal. Bar No. 96068)
Christopher Sargent (Cal. Bar No. 246285)
Ansel Halliburton (Cal. Bar No. 282906)
COMPUTERLAW GROUP LLP
401 Florence Street
Palo Alto, CA 94301
(650) 327-9800
(650) 618-1863 fax
jrusso@computerlaw.com
csargent@computerlaw.com
ahalliburton@computerlaw.com

Attorneys for Plaintiff
XIMPLEWARE CORP.


Gregory S. Tamkin (Cal. Bar No. 175009)
Case Collard (Cal. Bar No. 245834)
DORSEY & WHITNEY LLP
1400 Wewatta Street, Suite 400
Denver, CO 80202-5549
(303) 629-3400
(303) 629-3450 fax
tamkin.greg@dorsey.com
collard.case@dorsey.com

Attorneys for Defendants
AMERIPRISE FINANCIAL, INC. and
AMERIPRISE FINANCIAL SERVICES, INC.

Alisa Lipski (Cal. Bar No. 278710)
Amir H. Alavi (*Pro Hac Vice*)
Benjamin F. Foster (*Pro Hac Vice*)
AHMAD, ZAVITSANOS, ANAIPAKOS,
ALAVI & MENSING P.C.
1221 McKinney, Suite 3460
Houston, Texas 77010
(713) 655-1101
(713) 655-0062 fax
alipski@azalaw.com
aalavi@azalaw.com
bfoster@azalaw.com

David C. Bohrer (Cal. Bar No. 212397)
VALOREM LAW GROUP
60 South Market St., Ste. 1400
San Jose, CA 95113
(408) 938-3882
(408) 915-2672 fax
david.bohrer@valoremlaw.com

Attorneys for Defendants
VERSATA SOFTWARE, INC.,
F/K/A TRILOGY SOFTWARE, INC.,
TRILOGY DEVELOPMENT GROUP, INC. and
AUREA SOFTWARE, INC.
A/K/A AUREA, INC.

UNITED STATES DISTRICT COURT

NORTHERN DISTRICT OF CALIFORNIA

| | |
|---|---|
| **XimpleWare Corp.**, a California Corporation,<br><br>          Plaintiff;<br><br>      v.<br><br>**Versata Software, Inc., f/k/a Trilogy Software, Inc.,** a Delaware corporation; **Trilogy Development Group, Inc.**, a California corporation; **Ameriprise Financial, Inc.,** a Delaware corporation; **Ameriprise Financial Services, Inc.**, a Delaware corporation; and **Aurea Software, Inc. a/k/a Aurea, Inc.**, a Delaware corporation,<br><br>          Defendants. | Case No. 5:13-cv-5160 SI<br><br>**JOINT REPORT ON RULE 26(F) CONFERENCE**<br><br>Case Management<br>Conference:    April 18, 2014<br>Time:          2:30 p.m.<br>Location:     Courtroom 10, 19<sup>th</sup> Flr.<br>Judge:        Hon. Susan Illston |

Computerlaw Group LLP
www.computerlaw.com<sup>sm</sup>

1

## I.      RULE 26(F) CONFERENCE

2          On February 14 and April 11, 2014, the following parties met and conferred pursuant to

3   Rule 26(f) of the Federal Rules of Civil Procedure:

4          • Plaintiff XimpleWare Corp. ("XimpleWare") (through counsel Ansel Halliburton

5              of Computerlaw Group LLP)

6          • Defendants Versata Software, Inc., f/k/a Trilogy Software, Inc., Trilogy

7              Development Group, Inc., Aurea Software, Inc. a/k/a Aurea, Inc. (together the

8              "Versata Defendants") (through counsel Alisa Lipski of AZA Law)

9          • Ameriprise Financial, Inc., and Ameriprise Financial Services, Inc. (together the

10             "Ameriprise Defendants") (through counsel Case Collard of Dorsey & Whitney

11             LLP)

12         The parties considered the nature and basis of their claims and defenses and the

13  possibilities of promptly settling or resolving the case, arranged for the disclosures required by

14  Rule 26(a)(1), discussed preservation of discoverable information, and developed the following

15  discovery plan.

16

## II.     JURISDICTION AND SERVICE

17         The court has exclusive subject matter jurisdiction over Plaintiff's copyright infringement

18  claims, which are the primary claims in the case. No defendant has yet filed a counterclaim. All

19  parties have been served, and have appeared. There are no issues regarding personal jurisdiction.

20         XimpleWare contends that there are no issues regarding venue.

21         Defendants contend that transfer to another venue might be appropriate pursuant to 28

22  U.S.C. § 1404(a) as none of the defendants maintain their primary place of business in

23  California.

24

## III.    FACTS

25         No discovery has taken place in this case and so most facts remain in dispute. Plaintiff

26  XimpleWare is a small private software company in Milpitas, California that develops and

27  markets software called "VTD-XML" which is used for processing certain kinds of data.

28  XimpleWare publishes VTD-XML, including its source code, under an open source license

**Computerlaw Group LLP**
www.computerlaw.com℠

1    called the General Public License, or GPL. XimpleWare contends that under the GPL, some uses

2    of VTD-XML are free, but other uses that go beyond the GPL's terms and conditions require a

3    commercial license.

4         Defendants Versata and Aurea are related companies headquartered in Austin, Texas.

5    Both are involved in the developing and marketing of a software product called Distribution

6    Channel Management, or "DCM". DCM is enterprise software that Versata licenses to financial

7    services and insurance companies.

8         The two Ameriprise defendants are related companies in the financial services industry

9    headquartered in Minneapolis, Minnesota. Ameriprise licensed DCM from Versata.

10        Versata sued Ameriprise in Texas state court for breach of its software license agreement

11   for DCM. That case has since been removed to federal court in the Western District of Texas,

12   Austin Division. (See Related Cases section below.) In the Texas case, Ameriprise contends that

13   Versata incorporated several pieces of open source software, including VTD-XML, into the

14   DCM product and has asserted claims based on that conduct.

15        In mid-2013, Ameriprise told XimpleWare that Ameriprise believes that Versata had

16   incorporated VTD-XML into its DCM product.

17        XimpleWare contends that Versata's incorporation of VTD-XML into DCM violates the

18   terms of the GPL license and therefore constitutes copyright infringement.

19        Versata denies that VTD-XML is incorporated into DCM, or that it has breached any

20   agreement with XimpleWare or Ameriprise. Versata disputes whether XimpleWare is in fact the

21   author of VTD-XML and owns valid copyrights on its software. Versata disputes whether the

22   GPL is an applicable license, and even assuming it is, whether it is enforceable against Versata.

23        Ameriprise denies that it has infringed any copyright owned by XimpleWare.  Rather,

24   Ameriprise contends that XimpleWare's use of the GPL provides a license to Ameriprise to use

25   VTD-XML and DCM, which it contends incorporates VTD-XML.  Ameriprise has not breached

26   any obligation that would deprive it of any rights granted under the GPL, and thus asserts that

27   XimpleWare has no cognizable claim against it.

28

**IV.    LEGAL ISSUES**

XimpleWare contends that the primary legal issue in this case is whether Versata's incorporation of VTD-XML into DCM constitutes copyright infringement. Under *Jacobsen v. Katzer*, 535 F. 3d 1373 (Fed. Cir. 2008), violation of a license (including an open source license) gives rise to claims for copyright infringement. XimpleWare further contends that a related issue is whether Ameriprise's use and distribution of DCM beyond the scope of the GPL—including distribution to and use by non-employee franchisees—are also unlicensed copyright infringements.

Versata contends that there are many complicated legal issues in this case. Among other legal issues, specifically this Court will have to consider: whether DCM is a derivative work of VTD-XML, whether the GPL is an enforceable contract between the parties, and issues of fair use, copyright misuse and implied license.

In addition to the copyright defenses asserted by Versata, Ameriprise contends that another issue in the case is what constitutes distribution or use by third parties as asserted by XimpleWare as the violation of the Copyright Act and the basis for its claim that Ameriprise's conduct violated the GPL.

**V.    MOTIONS**

Resolved Motions

XimpleWare filed a motion for a temporary restraining order and expedited discovery on November 24, 2013 (Dkt. 12), which the court heard on December 4, 2013 and denied (Dkt. 45).

Ameriprise filed a motion to dismiss on December 3, 2013 (Dkt. 41) which was withdrawn following XimpleWare's filing of an Amended Complaint. XimpleWare amended its complaint on December 17, 2013 (Dkt. 48). Ameriprise filed a renewed motion to dismiss on December 31, 2013 (Dkt. 52). The Court denied the motion on February 4, 2014 (Dkt. 61).

Versata filed a motion to dismiss on January 27, 2014 (Dkt. 59). That court heard argument and denied the motion on March 14, 2014 (Dtk. 77).

Computerlaw Group LLP
www.computerlaw.com^sm

1    Anticipated Motions

2    After it takes limited discovery, XimpleWare anticipates filing a motion for summary

3    judgment of copyright infringement and for a permanent injunction, or in the alternative, for a

4    preliminary injunction.

5    Ameriprise anticipates filing a motion for summary judgment concerning its rights under

6    the GPL.

7    **VI.    AMENDMENT OF PLEADINGS**

8    XimpleWare filed its amended complaint on December 17, 2013 (Dkt. 48). XimpleWare

9    does not anticipate any further amendment.

10    Ameriprise filed its answer to XimpleWare's amended complaint on February 18, 2014

11    (Dkt. 67) and does not anticipate any further amendment.

12    Versata filed its answer to XimpleWare's amended complaint on March 28, 2014 (Dkt.

13    80) and does not anticipate any further amendment.

14    **VII.    EVIDENCE PRESERVATION**

15    The parties have reviewed the Guidelines Relating to the Discovery of Electronically

16    Stored Information ("ESI Guidelines"), and confirm that they have met and conferred pursuant to

17    Fed. R. Civ. P. 26(f) regarding reasonable and proportionate steps taken to preserve evidence.

18    XimpleWare and Versata are in ongoing discussions about a protocol to preserve

19    evidence related to the application of a software patch that would remove VTD-XML from

20    DCM.

21    **VIII.    DISCLOSURES**

22    All parties have made initial disclosures.

23    **IX.    DISCOVERY**

24    **A.    Discovery to Date**

25    No discovery has been taken in this case to date.

26    Versata and Ameriprise have exchanged substantial discovery in the case between them in

27    Texas. XimpleWare is not a party to that case. However, in response to a subpoena in the Texas

28    litigation, Ameriprise deposed, and Versata participated in, a deposition of XimpleWare in

1   December 2013, and XimpleWare has produced documents. XimpleWare received no reciprocal

2   discovery as it is not a party in that case.

3       **B.      Discovery Plan—Rule 26(f)(3)**

4           **1.      Initial Disclosures—Rule 26(f)(3)(A)**

5       The parties exchanged initial disclosures on March 5, 2014.

6           **2.      Scope of Discovery—Rule 26(f)(3)(B)**

7       The Parties presently believe that discovery will be needed as to all of the elements of the

8   claims and remedies placed in issue by the pleadings, and any defenses that may be asserted.

9       The Parties do not presently believe that discovery should be conducted in phases or be

10  limited to or focused upon particular issues. However, the Parties do believe discovery should be

11  coordinated with a separate action for patent infringement, case no. 5:13-cv-5161-PSG, in which

12  all parties to this case are also parties, in addition to other defendants. Discovery is currently

13  stayed in that action pending a decision on multiple defendants' motions to dismiss.

14          **3.      Electronically Stored Information—Rule 26(f)(3)(C)**

15      The Parties have met and conferred on the subject of ESI. The Parties have each

16  confirmed that they have taken steps to ensure the preservation of potentially discoverable

17  materials.

18      There are complicated Electronic Discovery issues in this case, including but not limited

19  to the potential production of software and source code. The Parties agree that they shall work in

20  good faith to agree to a separate electronically stored information order to address these issues.

21          **4.      Claims of Privilege—Rule 26(f)(3)(D)**

22      The Parties agree that a stipulated confidentiality agreement for the entry of a protective

23  order will be necessary to protect from public disclosure proprietary or other commercially

24  sensitive information that may be produced by the parties in this litigation. The Parties have

25  agreed in principle to modify the Court's model protective order for use in this case. Versata

26  contends that such a protective order will need to include protection for source code substantially

27  similar to the protections spelled out in section 9 of this Court's Stipulated Protective Order for

28

*Computerlaw Group LLP*
www.computerlaw.com<sup>sm</sup>

1     Litigation Involving Patents, Highly Sensitive Confidential Information and/or Trade Secrets.[1]

2     XimpleWare contends that level of protection is unduly burdensome.

3         The Parties will meet and confer in good faith regarding the format for privilege logs. In

4 addition, the Parties agree that any responsive documents that are attorney-client or work-

5 product privileged that were created after the date that this action was commenced do not need to

6 be reflected on a privilege log.

7                **5.      Limitations on Discovery—Rule 26(f)(3)(E)**

8         The Parties do not believe at this time that any changes should be made to the limitations

9 on discovery imposed by the Federal Rules or Local Rules, and expect to be able to resolve

10 cooperatively any issues that may arise with respect to such limitations.

11       **C.      Other Orders—Rule 26(f)(3)(F)**

12         The Parties believe that a stipulated protective order is appropriate to the extent this

13 matter may involve the disclosure of either party's proprietary or other commercially sensitive

14 information. The Parties are negotiating a proposed stipulated protective order, and anticipate

15 submitting it to the Court for review and approval before the initial case management

16 conference.

17       **D.      Agreement on Electronic Service**

18         The Parties agree to electronically serve any document (including all exhibits or

19 attachments thereto) that is not filed with the Court, or is filed under seal with the Court,

20 including all correspondence. Electronic transmission shall constitute service pursuant to Federal

21 Rule of Civil Procedure 5(b)(2)(E), and no confirmatory hard copies need be provided.

22

23

24

25

26

---

27 [1]

28 http://www.cand.uscourts.gov/filelibrary/408/ND_Cal_Patent_Highly_Sensitive_Model_Prot_Ord_10-10-13.pdf

*Computerlaw Group LLP*
www.computerlaw.com[sm]

## X. RELATED CASES

The following cases are related in subject matter to this case:

1. *Versata v. Ameriprise*, Travis County District Court, no. D-1-GN-12-003588

   Trial had been set for February 2014, but was taken off calendar when Ameriprise removed the case to federal court on January 7, 2014. The case has since been remanded back to the state court. Ameriprise has raised Versata's use of XimpleWare's VTD-XML in DCM as a defense in the case.

2. *Versata v. Ameriprise*, U.S. District Court for the Western District of Texas, no. 1:14-cv-00012-SS

   Removal action based on state court action above. On motion, the case was remanded back to state court on March 11, 2014.

3. *Versata v. Infosys*, U.S. District Court for the Western District of Texas, no. 1:10-cv-00792-SS

   Action against Ameriprise vendor Infosys for breach of contract and trade secrets misappropriation related to decompilation of DCM. Set for trial on April 21, 2014.

4. *XimpleWare v. Versata, et al.*, U.S. District Court for the Northern District of California, no. 5:13-cv-5161-PSG

   Patent case against Versata, Ameriprise, and other defendants not in this case.

## XI. RELIEF

XimpleWare requests damages for copyright infringement, including statutory damages, in an amount to be determined.

XimpleWare also requests a declaratory judgment that its registered copyright in its VTD-XML software and source code is valid.

XimpleWare also requests a permanent injunction enjoining further infringement by all Defendants.

The Versata Defendants have filed an Answer requesting a declaratory judgment that XimpleWare's copyright relating to its VTD-XML software and source code is not valid. In

1  addition or in the alternative, the Versata Defendants seek a declaratory judgment that the Versata

2  Defendants are not infringing any XimpleWare copyright.  The Versata Defendants will also seek

3  a judgment from the Court that XimpleWare has suffered no damages as a result of the conduct

4  of any Versata Defendants.

5        Ameriprise does not seek any damages, but only attorneys' fees and costs, as appropriate.

6  **XII.    SETTLEMENT AND ADR**

7        The parties have met and conferred about settlement and ADR options, and continue to

8  discuss ADR.

9  **XIII.   CONSENT TO MAGISTRATE JUDGE**

10       <u>No</u>: all parties have not consented to a Magistrate Judge.

11 **XIV.   OTHER REFERENCES**

12       The parties do not believe this case is suitable for referral to binding arbitration, a special

13 master, or the Judicial Panel on Multidistrict Litigation.

14 **XV.    NARROWING OF ISSUES**

15       Plaintiff contends that given the extensive discovery in the Texas litigation between

16 Versata and Ameriprise there will be few genuinely contested facts. XimpleWare intends to move

17 for summary judgment after obtaining discovery, much of which will simply reproduce

18 discovery from the Texas case.

19       The parties will meet and confer ahead of that motion to determine whether any facts

20 may be stipulated as undisputed.

21       Versata contends that very little of the discovery exchanged in the Texas litigation is

22 relevant to this dispute.

23 **XVI.   EXPEDITED TRIAL PROCEDURE**

24       The parties do not believe this case is suitable for the Court's expedited trial procedure

25 under General Order 64, but will revisit the issue at a later date.

26

27

28

**XVII.  SCHEDULING: PROPOSAL FOR CASE DEADLINES—RULES 26(F)(3) AND 16(B)**

The parties propose the following schedule:

| Event | Agreed Date | Plaintiff Proposal | Defendant Proposals |
|---|---|---|---|
| 1.  Rule 26(f) Conference | Took place Feb. 14, 2014 | | |
| 2.  Initial Disclosures | Took place Mar. 5, 2014 | | |
| 3.  Initial Case Management Conference | April 18, 2014 | | |
| 4.  Status / Settlement Conference | | To be determined | |
| 5.  Parties Designate Experts on Issues for Which They Carry the Burden of Proof | | Jul. 7, 2014 | Nov. 20, 2014 |
| 6.  Parties Designate Rebuttal Experts | | Aug. 11, 2014 | Dec. 25, 2014 |
| 7.  Deadline to Amend Pleadings and Join Other Parties | | To be determined | Sep. 29, 2014 |
| 8.  Fact Discovery Cut-Off | | Aug. 8, 2014 | Nov. 5, 2014 |
| 9.  Parties Submit Expert Reports on Issues for Which they Carry the Burden of Proof | | Aug. 22, 2014 | Nov. 20, 2014 |
| 10. Parties Submit Rebuttal Expert Reports | | Sep. 26, 2014 | Dec. 25, 2014 |
| 11. Expert Discovery Cut-Off | | Oct. 17, 2014 | Jan. 15, 2015 |
| 12. Last Day to File Dispositive Motions | | Oct. 30, 2014 | Jan. 28, 2015 |
| 13. Dispositive Motion Hearing | | Dec. 19, 2014 | Mar. 19, 2015 |
| 14. Pretrial Conference | | Jan. 13, 2015 | May 25, 2015 |
| 15. Trial | | Jan. 19, 2015 | Jun. 7, 2015 |

**XVIII. TRIAL**

All parties have demanded a trial by jury.

XimpleWare anticipates an approximately one-week trial.

**XIX. DISCLOSURE OF NON-PARTY INTERESTED ENTITIES OR PERSONS**

All parties have filed certifications under LR 3-16.

XimpleWare Corp. is a privately held company and no parent corporation or other publicly held corporation owns 10% or more stock.

Ameriprise Financial, Inc. is a publicly traded company and no publicly traded corporation currently owns more than 10% of its stock. The parent company of Ameriprise Financial Services, Inc. is AMPF Holding Corporation.

Versata Enterprises, Inc. is the parent of Versata Software, Inc. Trilogy Development Group, Inc., a California corporation, merged out into Trilogy Development Group, Inc. a Delaware Corporation in 1992. That company has subsequently been renamed Versata Development Group, Inc., and its parent company is Versata Enterprises, Inc. Trilogy, Inc. is the parent of Versata Enterprises, Inc. ESW Capital LLC is the parent of Aurea Software, Inc. No publicly held company owns 10% or more of Trilogy Inc., or ESW Capital LLC.

Respectfully submitted,

COMPUTERLAW GROUP LLP

Dated: April 11, 2014      By:    /s/ Ansel Halliburton
Jack Russo
Christopher Sargent
Ansel Halliburton

Attorneys for Plaintiff
XIMPLEWARE CORP.

[additional signatures follow]

Computerlaw Group LLP
www.computerlaw.com℠

1

2    Dated: April 11, 2014

AHMAD, ZAVITSANOS, ANAIPAKOS, ALAVI
& MENSING P.C.

By:   /s/ Alisa Lipski
3                                                    Alisa Lipski
                                                     Amir H. Alavi (*pro hac vice*)
4                                                    Benjamin F. Foster (*pro hac vice*)

5                                                    Attorneys for Defendants
                                                     VERSATA SOFTWARE, INC., F/K/A TRILOGY
6                                                    SOFTWARE, INC.,
                                                     TRILOGY DEVELOPMENT GROUP, INC. and
7                                                    AUREA SOFTWARE, INC. A/K/A
                                                     AUREA, INC.
8
                                                     DORSEY & WHITNEY LLP
9

10   Dated: April 11, 2014              By:   /s/ Case Collard
                                                     Gregory S. Tamkin
                                                     Case Collard
11

12                                                   Attorneys for Defendants
                                                     AMERIPRISE FINANCIAL, INC. and
13                                                   AMERIPRISE FINANCIAL SERVICES, INC.

14
                                        **E-Filing Attestation**
15

16       I, Ansel Halliburton, am the ECF User whose ID and password are being used to file this

17   Joint Report On Rule 26(f) Conference. I hereby attest that I have on file the concurrences for

18   any signatures indicated by a "conformed" signature (/s/) within this efiled document.

19                                                   COMPUTERLAW GROUP LLP

20   Dated: April 11, 2014              By:   /s/ Ansel Halliburton
                                                     Ansel Halliburton
21
                                                     Attorneys for Plaintiff
22                                                   XIMPLEWARE CORP.

23

24

25

26

27

28

**Computerlaw Group LLP**
www.computerlaw.com[sm]